

Message Text

CONFIDENTIAL

PAGE 01 CARACA 07267 01 OF 02 202203Z
ACTION H-03

INFO OCT-01 ARA-10 ISO-00 SS-07 NSC-06 AID-01 /028 W
-----005784 202216Z /75

P 202039Z JUL 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 8479

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 7267

E.O. 11652: GDS
TAGS: OREP (HOLLINGS,ERNEST), VE
SUBJECT: CODEL HOLLINGS

REF: STATE 166864

1. DCM DIEGO C. ASENSIO WILL BE CONTROL OFFICER FOR CODEL.
PER PARAGRAPH 2 REFTTEL, AMBASSADOR HAS ALSO DESIGNATED
DCM AS PERSON TO JOIN PARTY IN WASHINGTON TO ACCOMPANY IT
TO CARACAS. REQUEST TRAVEL ORDERS TO COVER DCM'S TRAVEL
TO WASHINGTON.

2. FOLLOWING IS SUGGESTED SCHEDULE. THIS IS STILL VERY
TENTATIVE AND SUBJECT TO CONFIRMATION. IT MAY BE THAT WE WOULD
HAVE TO MODIFY OR JUGGLE SOME EVENTS.

3. CODEL SCHEDULE:

MONDAY, AUGUST 15, 1977

1330 ARRIVAL SIMON BOLIVAR AIRPORT AT MAIQUETIA

THE AIRPORT IS APPROXIMATELY ONE HOUR FROM THE CITY. WE ANTICIPATE
CLEARANCE, TRAVELING AND ARRIVAL AT THE HILTON HOTEL
BY 1500 HOURS.

1600-1730 BRIEFING AND DISCUSSION WITH COUNTRY TEAM AT EMBASSY.
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PAGE 02 CARACA 07267 01 OF 02 202203Z

WIVES WOULD ATTEND.

1930 SMALL INFORMAL DINNER AT THE AMBASSADOR'S RESIDENCE
WITH A FEW VENEZUELAN BUSINESS AND POLITICAL FIGURES.

TUESDAY, AUGUST 16, 1977

0800-1000 WORKING BREAKFAST WITH PRESIDENT CARLOS ANDRES PEREZ, FOREIGN MINISTER SIMON ALBERTO CONSALVI AND MINISTER OF STATE MANUEL PEREZ-GUERRERO AT THE PRESIDENTIAL RESIDENCE, LA CASONA

THIS MEETING IS AT PRESIDENT PEREZ'S SUGGESTION. ALTHOUGH TUESDAY IS HIS NORMAL CABINET MEETING DAY, THE PRESIDENT HAS SAID THAT HE WOULD GLADLY POSTPONE THE CABINET MEETING UNTIL LATER IN THE MORNING IN ORDER TO MEET WITH CODEL. THIS IS REALLY A VERY GRACIOUS GESTURE ON HIS PART. THE MEETING WOULD BE STAG.

FOREIGN MINISTER CONSALVI WAS UNTIL RECENTLY VENEZUELAN PERMANENT REPRESENTATIVE TO THE UN. AN AD PARTY STALWART, HE IS VERY CLOSE TO PRESIDENT PEREZ. A THIRD-WORLDER AND PROPONENT OF THE NIEO, HE IS HIGHLY NATIONALISTIC. MINISTER PEREZ-GUERRERO WAS CO-CHAIRMAN OF THE CIEC TALKS IN PARIS AND IS THE LEADING VENEZUELAN SPOKESMAN ON THE NORTH-SOUTH DIALOGUE. HE IS ALSO THE KEY VENEZUELAN OFFICIAL ON THE ISSUE OF THE PROPOSED INTERNATIONAL TREATY TO CONTROL ILLICIT PAYMENTS. HE BELIEVES THE TREATY SHOULD BE CLOSELY LINKED TO A CODE OF CONDUCT FOR MULTI-NATIONAL CORPORATIONS.

0800-1100 AT THE SAME TIME AS THE ABOVE, THE FIRST LADY WILL PROBABLY HOST BREAKFAST FOR WIVES FOLLOWED BY BRIEFING WITH CABINET MINISTER WIVES AND OFFICIALS OF FUNDACION DEL NINO, FUNDACOMUN AND THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CARACA 07267 01 OF 02 202203Z

MARISCAL DE AYACUCHO PROGRAM.

THE FUNDACION DEL NINO IS A GOVERNMENT-SPONSORED CHILDREN'S WELFARE AGENCY OF WHICH MRS. PEREZ IS THE FULLY FUNCTIONING CHAIR PERSON. FUNDACOMUN IS THE VENEZUELAN AGENCY IN CHARGE OF COMMUNITY DEVELOPMENT AND IS ACTIVE IN PLANNING FINANCING AND IMPLEMENTATION OF SUCH PROJECTS. IT IS HEADED BY THE PRESIDENT'S DAUGHTER. THE GRAN MARISCAL DE AYACUCHO FOUNDATION IS A MASSIVE GOVERNMENT-FUNDED SCHOLARSHIP PROGRAM WITH 4,575 VENEZUELAN STUDENTS IN VARIOUS UNIVERSITIES AND OTHER INSTITUTIONS OF HIGHER LEARNING IN THE U.S. AND SOME 7,612 IN OTHER COUNTRIES. THIS VERY EFFECTIVE BRIEFING WAS PROVIDED TO MRS. CARTER DURING THE FIRST LADY'S VISIT TO VENEZUELA.

1100-1230 ROUND-TABLE DISCUSSIONS WITH CONGRESSIONAL LEADERS OF BOTH PARTIES IN THE CONGRESS.

ALTHOUGH THE CONGRESS WILL BE IN RECESS, THE CORE GROUP OF VENEZUELAN PARTICIPANTS WILL BE THE STANDING COMMITTEE OF THE CONGRESS. THE FACT THAT THE VENEZUELAN PRESIDENTIAL CAMPAIGN WILL BE WELL UNDERWAY WOULD LEND A PARTICULAR INTEREST TO THIS MEETING.

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PAGE 01 CARACA 07267 02 OF 02 202156Z
ACTION H-03

INFO OCT-01 ARA-10 ISO-00 SS-07 NSC-06 AID-01 /028 W
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FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 8480

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 7267

1300-1500 LUNCH AND ROUND-TABLE DISCUSSIONS WITH THE
BOARD OF THE VENEZUELAN - AMERICAN CHAMBER
OF COMMERCE AT THE TAMANACO HOTEL.

THIS INCLUDES LEADING AMERICAN BUSINESSMEN
RESIDENT IN CARACAS. THE CHAMBER HAS BEEN
MOST ACTIVE IN LOBBYING ACTIVITIES TO AMEND THE
TRADE ACT IN ORDER TO ELIMINATE THE GSP EXCLUSION OF VENEZUELA.

(WIVES: AFTER THE LA CASONA BRIEFING, THE LADIES WOULD RETURN
TO THE HILTON HOTEL WITH FREE TIME FOR LUNCH AND EARLY
DEPARTURE FOR THE FOREIGN MINISTRY TOUR OF CARACAS)

1400-1800 WIVES ON FOREIGN MINISTRY TOUR OF CARACAS.
DR. ERIK BECKER-BECKER, A PROTOCOL OFFICIAL OF THE FOREIGN MINISTRY
HAS DEVELOPED A TOUR OF CARACAS AND ITS ENVIRONS WHICH IS
PROVIDED TO A NUMBER OF AMBASSADORS ACCREDITED TO VENEZUELA.
BILLED AS A SOCIO-POLITICAL-ECONOMIC TOUR, IT INCLUDES VISITS TO
URBAN RENEWAL PROJECTS, SLUMS, FLOSSY RESIDENTIAL DISTRICTS,
HISTORIC BUILDINGS AND GOVERNMENTAL INSTITUTIONS, MUSEUMS AND
OTHER CULTURAL BODIES, MARKET PLACES AND OTHER INSTITUTIONS OF
LOCAL INTEREST. THE NORMAL TOUR IS APPROXIMATELY 12 HOURS LONG
AND THIS CONDENSED VERSION WILL PROVIDE AN UNEQUALED OPPORTUNITY
TO OBSERVE THE MULTI-FACETED ACTIVITIES OF THE CITY UNDER THE
DIRECTION OF A MOST KNOWLEDGEABLE OBSERVER.

1600-1800 CVG/CORPOZULIA BRIEFING AT THE CVG HEADQUARTERS.
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PAGE 02 CARACA 07267 02 OF 02 202156Z

THE GUAYANA CORPORATION OF VENEZUELA'S (CVG) PRIMARY FUNCTION IS THAT OF DEVELOPING THE ECONOMIC POTENTIAL OF THE GUAYANA REGION. THE COST OF CURRENT MAJOR PROJECTS BEING PROMOTED BY CVG IS ESTIMATED AT \$5 BILLION PLUS. THEY INCLUDE: CONSTRUCTION OF INTER-ALUMINA, A PLANT TO PRODUCE 1,000,000 MT/YEAR OF ALUMINA FROM IMPORTED BAUXITE, AND VENALUM, A PLANT TO PRODUCE 280,000 MT/YEAR OF ALUMINUM; THE EXPANSION OF THE SIDOR STEEL MILL, THE EXPANSION OF THE ALCASA ALUMINUM PLANT, AND THE EXPANSION OF THE GURI DAM. CVG ALSO OPERATES FERROMINERA ORINOCO, C.A., THE COMPANY THAT OPERATES THE FORMER HOLDINGS OF BETHLEHEM AND U.S. STEEL, AND FIOR DE VENEZUELA, THE WORLD'S ONLY COMMERCIAL BRIQUETTING PLANT TO USE THE EXXON PROCESS. THE LATEST CVG PROJECT TO BE ANNOUNCED IS THE CONSTRUCTION OF AN 800 KV TRANSMISSION LINE FROM THE GURI DAM TO THE CENTRAL REGION OF VENEZUELA, A \$230 MILLION PROJECT.

THE PRIMARY FUNCTION OF CORPOZULIA (CZ) IS TO PROMOTE THE HARMONIC, INTEGRAL ECONOMIC DEVELOPMENT OF THE STATE OF ZULIA IN CONFORMANCE WITH NATIONAL DEVELOPMENT GUIDELINES. THE MOST IMPORTANT ACTIVITY OF CZ IS THE PROMOTION OF SIDERZULIA, A STEEL PLANT WITH PLANNED INVESTMENT OF APPROXIMATELY \$10 BILLION BETWEEN 1976 AND 1990. AND THE GUASARE COAL FIELDS, A PROJECT WHICH CALLS FOR THE INVESTMENT OF ABOUT \$500 MILLION BETWEEN 1976 AND 1981.

BOTH ARE HIGHLY IMPORTANT COMMERCIAL OPPORTUNITY TARGETS FOR THE U.S.

1930 AMBASSADOR'S RECEPTION TO MEET BROAD RANGE OF GOVERNMENT, CIVIC, POLITICAL, ECONOMIC AND CULTURAL LEADERS.

WEDNESDAY, AUGUST 17, 1977

0800 DEPART HOTEL FOR SIMON BOLIVAR AIRPORT.
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PAGE 03 CARACA 07267 02 OF 02 202156Z

0900 WHEELS UP FOR BRASILIA.

4. THE UNUSUAL INTEREST ON THE PART OF THE PRESIDENT PEREZ AND OF THE GOV IN THIS VISIT, AS WELL AS BEING A RECOGNITION OF THE IMPORTANCE THEY ATTRIBUTE TO THE VISITING GROUP, A REFLECTION OF THE VERY POSITIVE EFFECT OF THE PRESIDENT'S RECENT VISIT TO THE U.S. THE PRESIDENT HAS BEEN MAKING SUBSTANTIAL EFFORTS TO MOVE VENEZUELA CLOSER TO THE U.S. POLITICALLY AND HAS BEEN PARTICULARLY IMPRESSED BY THE ADMINISTRATION'S POLICY ON HUMAN RIGHTS NUCLEAR PROLIFERATION AND ENERGY. THE FACT THAT VENEZUELA IS ONE OF THE FEW FUNCTIONING DEMOCRACIES IN LATIN AMERICA AND AN IMPORTANT SUPPLIER OF OIL TO THE U.S. MARKET LENDS AN UNUSUAL IMPORTANCE TO OUR RELATIONS. PRESIDENT PEREZ UNDOUBTEDLY SEES THIS VISIT AS AN OPPORTUNITY TO CONTINUE HIS EXCHANGE OF VIEWS WITH A PARTICULARLY

INFLUENTIAL U.S. GROUP AND TO BUILD A FRAMEWORK FOR BETTER COOPERATION
WITH THE U.S.
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